

**City of Dania Beach  
Police and Fire Fighters Retirement System  
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**MINUTES  
AUGUST 15, 2012  
REGULAR MEETING**

**I. CALL TO ORDER**

The meeting was called to order by Chairman Rogers at 6:15 PM

**MEMBERS PRESENT:**

Chairman Larry Rogers  
Roger Handevidt  
Rae Sandler  
Carolyn Jones  
Wardell Lee  
Todd Neal

**MEMBERS ABSENT:**

Secretary Vince Marlin  
Vice Chairman Ted Spongross  
Mayor Pat Flury

**ALSO PRESENT:**

Pedro Herrera - Sugarman & Susskind, PA  
Robert Robbins - Robbins Geller Rudman & Dowd LLP  
Greg McNellie – Dahab Associates  
Bruce Hannover – Candidate for Dania Beach City Commission  
Cathy David - Administrator

**II. APPROVAL OF MINUTES**

**MOTION:** by Roger Handevidt to accept minutes from the July 16, 2012 regular meeting as submitted.

**SECOND:** Wardell Lee

**PASSED UNANIMOUSLY**

**III. CONSENT AGENDA**

No items listed on the Consent Agenda

**IV. OLD BUSINESS**

**4.1 BSO Contributions October 1, 2011 to September 30, 2012**

Chairman Rogers opened discussion with the plans attorney and the trustees regarding the BSO/City contributions for the fiscal year ending September 30, 2012. The plan received a check from the City of Dania Beach for \$749,743.92 for their contribution on behalf of the firefighter employees. The City made the employer contribution on behalf of the Broward Sheriff's Office for its contractual failure(s) in making its payment(s) to the Police & Fire Pension Fund. Discussion took place about interest that would be due on the contributions that were not made during the year.

**MOTION** by Roger Handevitdt to ask the plan's actuary Gabriel, Roeder, Smith & Company to calculate interest that would be owed to the plan and then have the attorney to draft a letter to the parties involved.

**SECOND:** Rae Sandler

**PASSED UNANIMIOUSLY**

**V. NEW BUSINESS**

**5.1 Dahab Associates – 3<sup>rd</sup> Quarter June 30, 2012 Performance**

Greg McNellie from Dahab Associates discussed with the trustees the June 30, 2012 performance for the plan as well as suggesting some changes. The plan had a loss of -2.7 net of fees for the quarter April 1, 2012 thru June 30, 2012.

The plans earnings are positive with +12.8 net of fees for the fiscal year to date which is October 1, 2012 to June 30, 2012.

Gregg McNellie suggested diversifying the 44% core equity portfolio that is currently with Herndon Capital by moving 10% to mid-cap investments and 10% to small-cap investments.

Greg McNellie also suggested putting the TIPS portfolio (that is presently in its own separate investment) into the regular bond portfolio and then the bond managers could decide whether or not to buy tips depending on the bond market and the economy.

**MOTION** by Roger Handevitdt to trim down the core portfolio with Herndon and move 10% to small cap investments and 10% to mid-cap investments and to look into moving the TIPS portfolio into the regular bond portfolio.

**SECOND:** Wardell Lee

**PASSED UNANIMIOUSLY**

**VI. CORRESPONDENCE**  
**VII. RETIREMENTS / TERMINATIONS**  
**VIII. OPEN DISCUSSION AND INFORMATION**

**8.1 Attorneys Report HB 401**

Attorney Sugarman reviewed current changes with the State legislature. The 2012 Florida Legislature passed House Bill 401 (HB 401) and Governor Scott signed the bill into law on April 24, 2012. In sum, HB 401 provides that any beneficiary designation providing a death benefit to a decedent's former spouse is deemed void at the time the marriage is terminated or declared invalid by a court. HB 401 takes effect on July 1, 2012 and applies to all deaths occurring on or after July 1, 2012, regardless of when the beneficiary designation was made by the member. The administrator received an Action Plan from Sugarman & Susskind. The administrator also has received a letter addressed to their respective legislative delegate. The letter urges the Legislature to give local pension plans the same exemption that they afforded to the Florida Retirement System. The same administrative burdens and potential pitfalls they seemingly acknowledged for the FRS should similarly be realized for our local law plans.

**MOTION** by Roger Handevitdt to send the letter to the Legislature on the plan's stationery and to mail the attorney's written correspondence to retirees

**SECOND:** Wardell Lee

**PASSED UNANIMIOUSLY**

**8.2 Chipotle Mexican Grill Class Action Litigation**

Pedro Herrera from Sugarman & Susskind, the plan's attorney introduced Robert Robbins from Robbins Geller Rudman & Dowd LLP to the trustees regarding Chipotle's class action lawsuit. Attorney Robbins explained the lawsuit to the trustees.

This class action lawsuit claims that the defendants issued materially false and misleading statements regarding the Company's business and prospects and as a result of the false statements Chipotle stock traded at artificially inflated prices during the Class Period, reaching a high of \$440.40 per share on April 13, 2012. On July 19, 2012 Chipotle issued disappointing revenue results and cautious guidance for the year. As a result, Chipotle stock plunged \$86.88 per share to close at \$316.98 per share on July 20, 2012, a decline of 22% on volume of 9.8 million shares. This was the largest one-day stock decline in the Company's history. This plan- the City of Dania Beach Police & Firefighters' Retirement System purchased Chipotle common stock and was damaged thereby.

**MOTION** by Chairman Larry Rogers to accept Robbins Geller Rudman & Dowd's recommendation and to engage Robbins Geller Rudman & Dowd LLP to file a claim for securities fraud and seek lead plaintiff status in this action

**SECOND:** Carolyn Jones

**PASSED UNANIMIOUSLY**

**8.3 FPPTA Trustee School October 7-10, 2012 Bonita Springs**

The next FPPTA Trustee School will be held at the Hyatt Coconut Point in Bonita Springs, Florida from October 7-10, 2012

**MOTION** by Carolyn Jones to approve expenses for any Trustee wishing to attend the FPPTA's Trustee School October 7-10, 2011 at the Hyatt Coconut Point in Bonita Springs Florida in accordance with the Trustee Travel Guidelines.

**SECOND:** Wardell Lee

**PASSED UNANIMIOUSLY**

**8.4 MEETING TIME CHANGE**

Discussion took place and it was decided upon by the trustees to change the trustee meeting time from 6:00 pm to 7:00 pm starting with the next meeting September 17, 2012

**IX. ADJOURN**

**MOTION** by Roger Handevitdt to adjourn meeting

**SECOND:** Rae Sandler

Meeting adjourned at 7:45 PM